

State of Arkansas
89th General Assembly
Regular Session, 2013

As Engrossed: H3/1/13
A Bill

HOUSE BILL 1310

By: Representatives Linck, Catlett
By: Senators S. Flowers, Irvin

For An Act To Be Entitled

AN ACT TO ESTABLISH PROCEDURES FOR THE PRESERVATION
OR DISPOSAL OF SCHOOL BUILDINGS IN SCHOOL DISTRICTS
THAT HAVE BEEN CONSOLIDATED; AND FOR OTHER PURPOSES.

Subtitle

TO ALLOW SCHOOL DISTRICTS THAT HAVE BEEN
CONSOLIDATED TO SELL, PRESERVE, LEASE, OR
DONATE REAL PROPERTY THAT IS NO LONGER
UTILIZED BY THE SCHOOL DISTRICTS.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:

SECTION 1. DO NOT CODIFY.

(a) Lack of use or under-utilization of real property as a result of the consolidation of a school district can cause a significant loss of investment to the state and the communities where the real property is located.

(b) It is in the best interest of the state and the communities where the real property is located to ensure the real property is utilized.

SECTION 2. Arkansas Code § 6-13-111 is amended to read as follows:

6-13-111. Consolidated school districts.

(a) A school district in the State of Arkansas that is consolidated with one (1) or more school districts may:

(1) Sell ~~buildings~~ a building or ~~lands~~ real property owned by the school district that ~~are~~ is no longer used by the school district at a



fair market value; or

(2) ~~Preserve buildings~~ a building or ~~lands~~ real property owned by the school district that ~~are~~ is no longer used by the school district;

(3) Lease a building or real property owned by the school district that is no longer used by the school district; or

(4) Donate a building or real property owned by the school district that is no longer used by the school district as allowed under § 6-21-108(b).

(b) If the school district sells or otherwise disposes of a building or ~~land~~ real property to a person or entity under this section, then:

(1) The school district shall have the right of first refusal to purchase or otherwise reacquire the building or real property if the person or entity decides to sell the building or real property; and

(2) The sale price of the building or real property when repurchased or otherwise reacquired by the school district shall not:

(A) Exceed the price that the person or entity paid the school district for the building or real property; and

(B) Include compensation for ~~any~~ improvements to the building or real property.

(c)(1) If a school district is unable to secure a purchaser or lessor for an unused building or real property at or near fair market value, a school district shall advertise once per month for three (3) consecutive months the unused building or real property for sale or lease by the school district:

(A) In a newspaper in circulation in the county in which the unused building or real property is located; and

(B) In a newspaper with statewide circulation.

(2)(A) If an acceptable fair market value offer has not been made and accepted by the board of directors of a school district after ninety (90) days from the date of the initial advertisement, the school board may petition the circuit court in Pulaski County to issue an order declaring that it is in the best interest of the school district to dispose of the building or real property and authorizing:

(i) A bona fide sale or lease offer from a qualified purchaser or lessor, the value of which is less than fair market value; or

(ii) A public sale by auction, including the reserve

purchase price.

(B) In determining whether it is in the best interest of the school district to dispose of the building or real property, the court may consider, factors including without limitation:

(i) The efforts made by the school board to market and advertise the unused building or real property; and

(ii) The projected cost to the school district of insuring and maintaining the unused building or real property.

(3) The purchase price of a building or real property by judicial order is considered a valid purchase price and may be used to determine the fair market value of unused buildings and real property in other school districts.

(d) The proceeds of the sale or lease of an unused building or real property under this section, excluding expenses, shall be used by the school district for school purposes.

SECTION 3. Arkansas Code § 6-21-108 is amended to read as follows:

6-21-108. School districts authorized to own and convey real property -- Donation of property for educational purposes ~~only~~ and beneficial educational services only.

(a) In addition to the authority of school districts under § 6-13-620 ~~to have the care and custody of the schoolhouse, grounds, and other property belonging to the school district, the,~~ a school district board of directors for any Arkansas school district shall be authorized and empowered to may acquire and hold real estate, tenements, hereditaments, and other real property ~~as is necessary and proper for the purposes of the education of pupils~~ students of the school district and the administration of the ~~schools of the school district.~~

(b)(1) If the board of directors for a school district determines that ~~any real estate~~ property owned or controlled by the school district is not required for the present or ~~anticipated~~ future needs of the school district and that the donation ~~thereof~~ of the real property would serve a beneficial educational service for the ~~pupils~~ citizens of the school district, then the school district ~~is also empowered and authorized to may~~ donate real property ~~or any part thereof~~ to a publicly supported institution of higher education, a technical institute, a community college, a not-for-profit organization, a

county, a city, or any entity thereof for any of the following limited purposes:

(A) Having the real property preserved, improved, upgraded, rehabilitated, or enlarged by the donee;

(B) Providing a publicly supported institution of higher education ~~or~~, a technical institute, or a community college with the donated property in which to hold classes ~~for students who are from the school district or to educate pupils from within the donating school district even if students from outside the school district might also benefit;~~ or

(C) Providing community programs and beneficial educational services, social enrichment programs, or after-school programs ~~for students who are from the school district or educating pupils from within the donating school district even if other persons in the community or students from outside the school district might also benefit.~~

(2) ~~Furthermore, A school districts~~ district may donate the fee simple title and absolute interest in real property, without any reservations or restrictions, ~~in and to all the real property, or any part of the property to the~~ a publicly supported institution of higher learning, a technical institute, or a community college, a not-for-profit organization, a county, or a city if this property was previously conveyed or otherwise transferred by the institution or college to the school district without cost.

(3) If two (2) years after the effective date of consolidation the real property of the consolidated school district is not used by the school district for educational purposes and has not been sold, preserved, leased, or donated, the school district board of directors shall make the real property available to a publicly supported institution of higher education, a technical institute, a community college, a not-for-profit organization, a county, or a city, by donation or low-cost long-term lease, for the following limited purposes:

(A) Having the real property preserved, improved, upgraded, rehabilitated, or enlarged by the donee;

(B) Providing a publicly supported institution of higher education, a technical institute, or a community college with the donated property in which to hold classes; or

(C) Providing community programs and beneficial educational services, social enrichment programs, or after-school programs.

(c) ~~The execution of all contracts and conveyances and~~ A contract, conveyance, or lease ~~contracts~~ shall be ~~performed~~ executed by the president and confirmed by the secretary of the school ~~district~~ board of directors ~~when~~ after the contract, conveyance, or lease is authorized by a written resolution ~~in writing and~~ approved by a majority vote of the school district board of directors.

(d)(1) If the school district donates real property to an entity under this section, ~~then~~ the school district shall have the right of first refusal to reacquire the real property if the entity decides to sell or otherwise dispose of the real property.

(2) The school district ~~shall~~ is not ~~be~~ required to compensate the entity for ~~any~~ improvements to real property reacquired under this ~~subsection~~ section.

/s/Linck

APPROVED: 03/11/2013